

2011 Property Tax Report

Wabash County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Wabash County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Wabash County

The average homeowner saw a 130.1% tax bill increase from 2010 to 2011.
Homestead taxes in 2011 were still 57.8% lower than they were in 2007, before the property tax reforms.
98.1% of homeowners saw lower tax bills in 2011 than in 2007.
76.8% of homeowners saw tax increases of 20% or more from 2010 to 2011.
The largest percentage of homeowners have seen between a 50% and 69% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	7,195	84.3%	105	1.2%
No Change	1,209	14.2%	58	0.7%
Lower Tax Bill	133	1.6%	8,374	98.1%
Average Change in Tax Bill	130.1%		-57.8%	
Detailed Change in Tax Bill				
20% or More	6,559	76.8%	77	0.9%
10% to 19%	93	1.1%	11	0.1%
1% to 9%	543	6.4%	17	0.2%
0%	1,209	14.2%	58	0.7%
-1% to -9%	28	0.3%	17	0.2%
-10% to -19%	12	0.1%	41	0.5%
-20% to -29%	10	0.1%	80	0.9%
-30% to -39%	5	0.1%	348	4.1%
-40% to -49%	3	0.0%	1,289	15.1%
-50% to -59%	2	0.0%	2,176	25.5%
-60% to -69%	3	0.0%	2,180	25.5%
-70% to -79%	8	0.1%	598	7.0%
-80% to -89%	6	0.1%	341	4.0%
-90% to -99%	3	0.0%	462	5.4%
-100%	53	0.6%	842	9.9%
Total	8,537	100.0%	8,537	100.0%

Note: Percentages may not total due to rounding.

★★★★★★
 LOSS OF STATE HOMESTEAD
 CREDIT AND LOWER LOCAL
 HOMESTEAD CREDITS RAISED
 HOMEOWNER TAX BILLS
 ★★★★★★

Homestead Property Taxes

Homestead property taxes increased 130.1% on average in Wabash County in 2011. This was much more than the state average of 4.4%. Wabash County homestead taxes were still 57.8% lower in 2011 than they were in 2007, before the big tax reform. Wabash County has exceptionally high local property tax credits. The much larger-than-average homestead tax increase in 2011 was mostly due to a drop in Wabash County's local property tax credits in 2011. The credits dropped because of a reduction in the local income tax revenues that fund them. Homestead tax bills also increased due to the phaseout of the state homestead credit in 2011. The state homestead credit was 25.2% in Wabash County in 2010

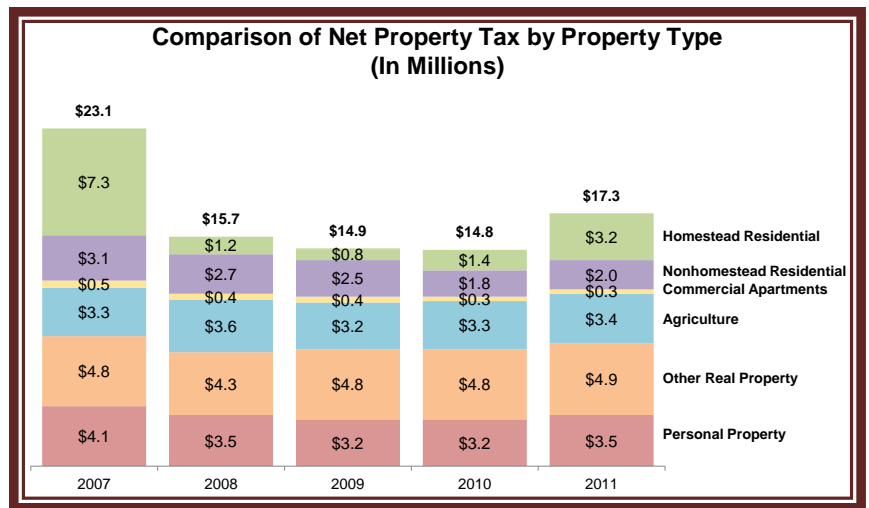
Tax Rates

Property tax rates decreased in most of Wabash County tax districts. The average tax rate declined by 1.7% because of a reduction in the levy. Levies in Wabash County decreased by 1.7%. The biggest levy reductions were in the Manchester Community Schools debt service and bus replacement funds and the Wabash City Schools debt service, bus replacement, and capital projects funds. Wabash County's total net assessed value increased 1.5% in 2011. (The certified net AV used to compute tax rates was unchanged.) Homestead assessments decreased by 0.2%, and agricultural net assessments increased by 3.1 %. Other residential assessments showed a decrease of 1.7%, while business net assessments grew by 3.0%.

★★★★★★
**SIZABLE TAX INCREASES FOR MOST
 NONRESIDENTIAL PROPERTY**
 ★★★★★★

Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 17.3% in Wabash County in 2011, more than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 11.3%. Tax bills for commercial apartments rose 10.7%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment – increased by 4.8%. These large tax bill increases are partly due to the drop in local property tax credits, caused by the decrease in local income tax distributions. Agricultural tax bills rose 4.2%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

★★★★★★
**TAX CAP CREDITS INCREASED IN
 2011, BUT REMAINED VERY LOW**
 ★★★★★★

Total tax cap credit losses in Wabash County were \$169,676, or 0.7% of the levy. This was much less than the state average loss rate of 9.2%, and much less the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Wabash County's tax rates were lower than the state median. In addition, Wabash provided substantial local property tax credits that reduced tax bills for all property types.

More than half of the total tax cap credits were in the elderly category; all the rest were in the 2% residential/farmland category. Wabash County had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The large homestead credits prevented any property in the 1% category from being eligible for tax cap credits. The largest percentage losses were in the towns of North Manchester and Roann, and the North Manchester Library. The largest dollar losses were in the city of Wabash, the Manchester and Wabash County School Corporations, and the county unit.

Wabash County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$0	\$22,131	\$0	\$38,447	\$60,578	0.3%
2011 Tax Cap Credits	0	28,035	0	141,641	169,676	0.7%
Change	\$0	\$5,904	\$0	\$103,194	\$109,098	0.5%

Tax cap credits increased in Wabash County in 2011 by \$109,098, or 180%. The additional credits

represent an added loss of 0.5% of the total tax levy. Almost all of the increase in tax cap credits was in the elderly tax cap category, which keeps tax bills of homesteads owned by people age 65 and over with low income from increasing by more than 2% in a year. This increase resulted from the decrease in local homestead credits.

The Effect of Recession

The 2009 recession had a mixed effect on Wabash County assessments for pay-2011. Homestead and other residential property values and construction activity appear to have fallen in Wabash County in 2009, but increases in business values and agricultural assessments more than offset this decline. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead and property tax replacement credits. Local credits were so high in Wabash County, however, that declines in assessments and local credits has little effect on tax cap credit losses.

★★★★★★
**2009 RECESSION HAD A MIXED
 EFFECT ON ASSESSMENTS IN 2011**
 ★★★★★★

Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$1,015,583,370	\$1,011,491,600	-0.4%	\$387,034,304	\$386,076,734	-0.2%
Other Residential	110,783,600	109,034,500	-1.6%	109,501,414	107,631,284	-1.7%
Ag Business/Land	285,857,500	294,825,500	3.1%	285,037,850	293,905,600	3.1%
Business Real/Personal	528,947,890	544,330,550	2.9%	403,276,987	415,359,985	3.0%
Total	\$1,941,172,360	\$1,959,682,150	1.0%	\$1,184,850,555	\$1,202,973,603	1.5%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Wabash County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<i>County Total</i>	34,687,235	34,850,276	22,534,547	22,575,193	22,189,740	0.5%	-35.3%	0.2%	-1.7%
State Unit	31,077	31,803	0	0	0	2.3%	-100.0%		
Wabash County	6,482,195	6,478,421	4,203,535	4,202,192	4,268,865	-0.1%	-35.1%	0.0%	1.6%
Chester Township	240,304	238,158	239,761	237,329	236,198	-0.9%	0.7%	-1.0%	-0.5%
Lagro Township	113,639	118,307	113,627	113,330	113,231	4.1%	-4.0%	-0.3%	-0.1%
Liberty Township	60,165	60,919	59,635	58,959	58,920	1.3%	-2.1%	-1.1%	-0.1%
Noble Township	199,781	198,260	201,142	199,896	199,221	-0.8%	1.5%	-0.6%	-0.3%
Paw Paw Township	56,486	55,750	54,567	54,529	54,644	-1.3%	-2.1%	-0.1%	0.2%
Pleasant Township	128,732	112,874	146,103	131,827	132,114	-12.3%	29.4%	-9.8%	0.2%
Waltz Township	17,531	17,538	17,636	17,498	17,436	0.0%	0.6%	-0.8%	-0.4%
Wabash Civil City	5,822,783	5,798,394	5,429,783	5,338,712	5,321,161	-0.4%	-6.4%	-1.7%	-0.3%
North Manchester Civil Town	1,513,877	1,435,115	1,516,664	1,486,430	1,493,538	-5.2%	5.7%	-2.0%	0.5%
LaFontaine Civil Town	142,369	137,547	139,263	138,268	135,985	-3.4%	1.2%	-0.7%	-1.7%
Lagro Civil Town	56,495	62,011	62,228	59,309	59,195	9.8%	0.3%	-4.7%	-0.2%
Roann Civil Town	71,006	77,277	76,258	76,905	76,544	8.8%	-1.3%	0.8%	-0.5%
Manchester Community School Corp	5,919,925	6,290,503	3,342,548	3,598,667	3,398,428	6.3%	-46.9%	7.7%	-5.6%
M.S.D. Wabash County School Corp	8,535,964	8,627,119	4,082,718	4,251,962	4,204,784	1.1%	-52.7%	4.1%	-1.1%
Wabash City School Corp	4,368,738	4,172,598	1,928,967	1,858,395	1,665,512	-4.5%	-53.8%	-3.7%	-10.4%
North Manchester Public Library	202,776	200,793	199,113	200,752	199,943	-1.0%	-0.8%	0.8%	-0.4%
Roann Public Library	32,448	32,253	31,976	32,303	32,175	-0.6%	-0.9%	1.0%	-0.4%
Wabash Public Library	690,944	704,636	689,023	517,930	521,846	2.0%	-2.2%	-24.8%	0.8%
Wabash County Solid Waste Mgt Dist	0	0	0	0	0				

Wabash County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates				LOIT Residential	Net Tax Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead		
85001	Chester Township	1.5911	12.0056%	--	23.1765%	--	--	22.8439%	0.6678
85002	North Manchester Town	2.8081	12.0056%	--	23.1765%	--	--	22.8439%	1.1787
85003	Lagro Township	1.1555	12.0056%	--	23.1765%	--	--	22.8439%	0.4850
85004	Lagro Town	2.4171	12.0056%	--	23.1765%	--	--	22.8439%	1.0146
85005	Liberty Township	1.1398	12.0056%	--	23.1765%	--	--	22.8439%	0.4784
85006	LaFontaine Town	2.1998	12.0056%	--	23.1765%	--	--	22.8439%	0.9233
85007	Noble Township	1.1415	12.0056%	--	23.1765%	--	--	22.8439%	0.4791
85008	Wabash City-Wabash County Schools	2.8248	12.0056%	--	23.1765%	--	--	22.8439%	1.1857
85009	Wabash City-Wabash City Schools	2.9184	12.0056%	--	23.1765%	--	--	22.8439%	1.2250
85010	Paw Paw Township	1.1825	12.0056%	--	23.1765%	--	--	22.8439%	0.4963
85011	Roann Town	2.4439	12.0056%	--	23.1765%	--	--	22.8439%	1.0258
85012	Pleasant Township	1.5516	12.0056%	--	23.1765%	--	--	22.8439%	0.6513
85013	Waltz Township	1.0878	12.0056%	--	23.1765%	--	--	22.8439%	0.4566

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Wabash County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Total	Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly				
<i>Non-TIF Total</i>	0	28,024	0	141,641		169,665	22,189,740	0.8%
<i>TIF Total</i>	0	11	0	0		11	946,452	0.0%
<i>County Total</i>	0	28,035	0	141,641		169,676	23,136,192	0.7%
Wabash County	0	3,658	0	25,569		29,227	4,268,865	0.7%
Chester Township	0	21	0	1,139		1,160	236,198	0.5%
Lagro Township	0	2	0	512		514	113,231	0.5%
Liberty Township	0	0	0	416		416	58,920	0.7%
Noble Township	0	183	0	1,202		1,384	199,221	0.7%
Paw Paw Township	0	0	0	313		313	54,644	0.6%
Pleasant Township	0	0	0	388		388	132,114	0.3%
Waltz Township	0	0	0	108		108	17,436	0.6%
Wabash Civil City	0	14,662	0	30,640		45,302	5,321,161	0.9%
North Manchester Civil Town	0	710	0	17,173		17,883	1,493,538	1.2%
LaFontaine Civil Town	0	0	0	929		929	135,985	0.7%
Lagro Civil Town	0	73	0	381		455	59,195	0.8%
Roann Civil Town	0	2	0	1,267		1,268	76,544	1.7%
Manchester Community School Corp	0	616	0	21,489		22,104	3,398,428	0.7%
M.S.D. Wabash County School Corp	0	4,992	0	22,965		27,957	4,204,784	0.7%
Wabash City School Corp	0	1,572	0	11,647		13,219	1,665,512	0.8%
North Manchester Public Library	0	95	0	2,299		2,394	199,943	1.2%
Roann Public Library	0	0	0	198		198	32,175	0.6%
Wabash Public Library	0	1,438	0	3,005		4,443	521,846	0.9%
Wabash County Solid Waste Mgt Dist	0	0	0	0		0	0	
TIF - Chester Twp 001	0	0	0	0		0	781,279	0.0%
TIF - N.Manchester Town 002	0	0	0	0		0	0	
TIF - Liberty Twp 006	0	0	0	0		0	233	0.0%
TIF - Noble Twp 007	0	0	0	0		0	0	
TIF - Wabash-Noble Twp. 008	0	11	0	0		11	120,371	0.0%
TIF - Wabash Corp. 009	0	0	0	0		0	44,570	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.